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**ARIZONA CORPORATION COMMISSION**

February 23, 2006

Mr. Timothy L. Kylo, President  
Kyllo Development Co. DBA Bradshaw Mountain View Water Co.  
PO Box 10593  
Sedona, AZ 86339

RE: BRADSHAW MOUNTAIN VIEW WATER COMPANY – APPLICATION FOR A  
RATE INCREASE, DOCKET NO. W-02089A-06-0041

**LETTER OF DEFFICIENCY**

Dear Mr. Kylo:

In reference to your rate application received on January 24, 2006, this letter is to inform you that your application has not met the sufficiency requirements as outlined in Arizona Administrative Code R14-2-103.

Staff has found several deficiencies with your application, which are listed on a separate attachment. The 30-day sufficiency determination period will begin anew when the company corrects the deficiencies and Docket Control receives an original and sixteen copies of the corrected pages.

You have 15 calendar days, or until March 9, 2006, to correct the deficiencies or make other arrangements with Staff to remedy your rate application. If the corrections or other arrangements are not made by the above date, Staff will request your docket number be administratively closed. Docket Control will retain one copy of the original application for Commission records. You may file an original and sixteen copies of an updated application at a later date.

The Staff person assigned to your application is Dennis R. Rogers. He can be reached at (602) 542-0871, or toll free at (800) 222-7000, if you have any questions or concerns.

Sincerely,

James Dorf  
Chief, Financial & Regulatory Analysis Section  
Utilities Division

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DOCUMENT CONTROL

Page 2

CC: Docket Control Center (sixteen copies)  
Lyn Farmer, Hearing Division  
Delbert Smith, Engineering  
Consumer Services  
Legal Division

**Kyllo Development Co.,  
dba Bradshaw Mountain View Water Company  
Docket No. W-02089A-06-0041**

**Staff's List of Deficiencies**

1. On page 12 of the application the Company reported plant additions and retirements for the years 1987 through 1996. Staff requests the Company to review its records and determine whether there are any invoices and or other documents to support these entries.
2. The Arizona Department of Environmental Quality has issued a Drinking Water Compliance Status Report that states it cannot determine if this system is currently delivering water that meets water quality standards required by Arizona Administrative Code, Title 18, Chapter 4. Staff requests the Company contact Dorothy Hains, Utilities Division Engineer at 602-542-7274.